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Producer: Ian Muir-Cochrane

Reporter: Allan Urry

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ACTUALITY – BUILDING NOISE

URRY: Tonight, what have the builders done to our new schools and hospitals? We’ve uncovered serious failings in some of those commissioned under Private Finance Initiatives - or PFI. Some schools have been deemed so unsafe they’ve had to close. Others are not fully protected in the event of a fire, needing remedial work to put them right. We’ve discovered hospitals with serious fire safety problems - problems which could take many millions of pounds - and years - to fix. One’s even had an enforcement notice served on it by the Fire Service. Now an MP on the Public Accounts Committee is demanding a full investigation by the Department of Health.

JACKSON: Some form of taskforce is needed to ensure that the long term safety of hospitals is guaranteed and that we are not spending perhaps hundreds of millions of pounds over the next number of years trying to patch up poor PFI deals and that we reassure people that they’re going to be safe if they go into their local hospital.

SIGNATURE TUNE

ACTUALITY IN CLASSROOM

WOMAN: Good morning.

PHILLIPS: Good morning. How are you?

LUCY: Could I get past?

PHILLIPS: Where are you off to?

LUCY: PE.

PHILLIPS: Oh, PE. Can you click the button, right? You ready?
Reach! There we are. You've done it. Well done, Lucy!

What sets us apart from a mainstream school is the facilities and resources that we have here, it's a purpose built environment. We've got pupils with a range of needs, primarily associated with medical and healthcare needs. We've got a nursery school for ten youngsters currently and we've got five primary classes and five secondary classes.

URRY: Morna Phillips is the headteacher at Braidburn Special School in Edinburgh. It's one of the schools in the city built under a public private partnership arrangement, that earlier this year had to be closed for safety reasons. And that's been a blow, because Braidburn cares for some of the city's most vulnerable youngsters and has all sorts of extra facilities they depend on.

PHILLIPS: One of our aims in school is for our youngsters to be as independent as possible, and I think with the environment that we have set up here, it encourages independence. We also have on-site nursing staff and we've got allied health professionals on site and that is another resource that wouldn't be available in a mainstream school. You can see as we walk along the corridor, the corridor is really wide. We've got a tracking system here

URRY: These are the white lines on the floor?

PHILLIPS: The white lines on the floor are for children who are training to use a power wheelchair and training to be a driver. You can see one of our youngsters coming out the door just now.

URRY: Operating his wheelchair.

PHILLIPS: Operating his wheelchair beautifully.

ACTUALITY IN CLASS

CHILD: when the music stops.

WOMAN: When the music stops.

CHILD: Right.

URRY: There was concern that walls might fall down, so Braidburn was shut for eight weeks. That may not sound long, but the needs of the young people who come here from all over Edinburgh are far greater than those in the mainstream. Morna Phillips and her colleagues did what they could to find alternatives.

PHILLIPS: There was no one location in Edinburgh that was going to be suitable to meet everyone's needs, so we had to investigate different places, different spaces around Edinburgh with facilities and resources to meet the needs of the individual pupils. We had to arrange for furniture removal companies to come in. Some of them need four or five pieces of equipment; it's not just one wheelchair that they need, they maybe need a wheelchair, an Acheeva bed, a standing frame, a working chair, items that would assist them with skills of daily living for lunchtime, so there was a lot of equipment and specialised seating and resources that needed to be moved.

ACTUALITY OUTSIDE

URRY: That alone was a huge undertaking. But around the city, the situation was even worse. Braidburn was one of 17 schools completed ten years ago under a £360 million deal between Edinburgh City Council and a private consortium. The consortium built and maintains them in return for service and other charges. This is a fairly typical arrangement under contracts which run for twenty or thirty years. 90% of our schools have been funded and built this way through the nineties and noughties. PFI arrangements have attracted criticism, because some argue they don't deliver good value for money and become a huge burden for public bodies because of hefty repayment commitments.

ACTUALITY IN SCHOOL

WOMAN: What did you have to eat? Look at that. It looks like a feast!

URRY: But there's been less scrutiny on the quality of the buildings. Edinburgh has changed all that. All 17 of those schools had to close after the Easter break because structural problems meant they weren't safe. Vulnerable children at places like Braidburn have been suffering the consequences.

MOYES: My name is Shona Moyes is and my son is 15. He's physically disabled, he's artificially fed, he has a learning disability and he is on the autistic spectrum as well.

URRY: And did you notice an effect on him then?

MOYES: A big effect. When you've got a disabled child, there's not a lot they can access after school, so school really is their world. He was a very unhappy boy. He wasn't sleeping as well, so lots of broken nights, you know. The first thing he said to me every morning was, 'Mum, is it Braidburn today?' and I had to then say, 'No, not today.' 'Will it be tomorrow?' 'I don't know.' I couldn't give him the answer to that. So he was really quite distressed by it.

ACTUALITY OF BAGPIPES

URRY: The private consortium has been working to repair the 17 schools, and some, like Braidburn, are now back in action, but others won't be ready until the start of the new term in August. This has all caused huge disruption. The city council has had to put in place complicated alternative arrangements for thousands of pupils, including some sitting exams. Council leader Andrew Burns says that's been challenging.

BURNS: The biggest sort of logistical operation has just been getting decant arrangements for nearly 8,000 pupils. That's the educational provision for a small town. We've had a major, major, almost small scale military operation.

URRY: But the transport logistics on all this, how did you cope with all that?

BURNS: Well, we own the bus company here in Edinburgh, but we couldn't use those buses because they don't have seatbelts because they're public buses. To transport pupils to school, under legislation, all the buses have to have seatbelts. So we had a real challenge in finding enough buses, even though it's the capital city of Scotland, in the local environment which had seatbelts to allow us to transport all the pupils across the city.

ACTUALITY OF BUSES

URRY: Coaches from other parts of Scotland have been drafted in. Some come to pick up outside Craigmount High. With 1,200 pupils, it's the largest school affected by the closures. And here, with work still going on, you can see some of the underlying problem. The safety and stability of exterior walls has been compromised. Metal ties, which hold those walls to the inner structure of the school, have been found to be inadequate. The concern is they won't hold them up. Hundreds need replacing.

ACTUALITY OF BUILDING WORK

URRY: Engineers and workmen are the only ones allowed on site today. Like the pupils, we've had to stay outside.

BOWYER: My name's Allison Bowyer. I'm the chair of the parent council at Craigmount High School, effectively like a parent governor. You can see on the side of the building where they've been taking down the outer skin in order to investigate what the problem is.

URRY: This is where the bricks have been removed here and the gap in the wall that we're looking at?

BOWYER: Yes, that's right. That's the PE hall in there, so they have obviously been looking in to see what the construction was.

URRY: But these walls that we're looking at now, which are all round the outside of the school, I mean they are the school, are all covered in this grey tape, aren't they? So what's that?

BOWYER: Apparently that is the points at which they're going to install wall ties in order to bring the two skins of the wall together.

URRY: There are hundreds and hundreds of these grey squares, aren't there?

BOWYER: It is quite worrying when you think, you know, how many there obviously need to be in order to make it safe and that the children have been in this school for 12 years without those in place.

URRY: These investigations began only after tons of masonry from a gable end wall at another new build primary school in the city came down during winter storms. That happened close to where five year olds usually play. Thankfully, it was after school hours, so they'd all gone home and no one was hurt. But the concern led to a safety audit there, and at all the other schools built under the same arrangement, including Craigmount High.

BOWYER: We have had certain parents who have been very angry about the whole process, people who were very worried about their children. There are quite a lot of practical assessments that had to be done, so those had to be rescheduled. My son ended up doing his drama assessment in the evenings, because there wasn't enough time during the day to fit everything in. The younger pupils have had a much harder time because they have been ... understandably the resources and the teaching time has been targeted at the ones who are in doing exams, so they missed a week and a half of school whilst they tried to find places for them, and they ended up at three different schools around the city.

URRY: And that's just for one school. How much are all these extra arrangements costing? The council haven't done the sums yet, but leader Andrew Burns says he expects their private consortium partner to foot the bill.

BURNS: I can't put an exact figure on it, but what I can tell you is that obviously Edinburgh Schools Partnership, who are responsible for the maintenance and the management of these 17 schools, they get what's called a unitary charge from us every month for operating the schools. They're not getting that unitary charge just now because the schools aren't operational, so we are withholding something of the order of up to £1½ million per month from the Edinburgh Schools Partnership, so that will give you an idea of the scale of sort of overall cost and impact of this. I am absolutely committed to make sure that there'll be no cost, no cost to the Edinburgh taxpayer for any of this whatsoever.

URRY: He may have a battle on his hands. Who is actually responsible for paying what is still being scrutinised by lawyers representing both sides, and that's likely to go on until the autumn, because the PFI contracts to build, maintain and service are highly complex. Dr Mark Hellowell of Edinburgh University is a special advisor to the House of Commons Treasury Select Committee. He's not so sure all the costs can be reclaimed.

HELLOWELL: I think it's very difficult. Clearly there are broader societal costs and it's hard to see those being made good, being remunerated, so there are kids that can't go to school, there are parents that are perhaps unable to go to work because their kids can't go to school, there are parents having to pay for transport to their kids to different parts of the city, and these are costs which I think are unlikely to be met under the contract.

URRY: The council has set up an independent inquiry to find out more about exactly what has gone wrong with the school buildings and why it wasn't picked up until part of a school wall fell down. That's something we wanted to interview the Edinburgh Schools Partnership about, but they refused. They did tell us that the schools were signed off with assurances from the building contractor, that construction had been completed in line with building standards, and that there was no reason thereafter to survey wall cavities until one fell down. The partnership said they had accepted full financial responsibility for investigating and resolving construction issues and apologised for the recent months of disruption. The Scottish Government told us officials had written to all local authorities, asking them to carry out safety checks on their own schools estate.

ACTUALITY OUTSIDE

URRY: That's all very well, but one of PFI's selling points was that it was supposed to provide high quality buildings, for which the public sector pays a premium to remove the headache of regular maintenance and repair. Incentives are written into the contracts to try to make sure that happens. So for Mark Hellowell, the schools crisis in Edinburgh has raised fundamental questions about the effectiveness of those contracts.

HELLOWELL: This problem is only recently emerging and hasn't really attracted a huge amount of policymakers' attention yet, and that's kind of what we would expect, you know. PFI is sort of 20 years down the line, the really early deals were signed in the late 1990s. It was always understood that 15 years, 20 years down the line, that's when we would start to see whether these deals were actually any good, whether value had been secured, whether the buildings that were built were actually fit for purpose. We're now seeing some problems. We don't have a systematic understanding of whether these are PFI specific issues, but we're starting to see how well the contract actually copes with major maintenance problems or major design problems of this kind. Potentially what we're seeing is that public authorities are not able to really allow the contract to do what it should, which is to incentivise, to motivate the private sector to put up really good buildings and to operate those buildings and maintain those buildings over a long period of time at a very high standard. The whole reason you're paying over the odds as the public sector for a PFI contract is you're supposed to get this emphasis on whole life costing and whole life performance of the building over a 20 or 30 year period.

URRY: Critics say the public sector's been paying a high price for that certainty, but as Edinburgh's been finding out, it doesn't always work. And we've discovered it's not just schools that have had problems with poor construction. File on 4's been uncovering evidence about safety issues elsewhere, in another area of public service which has the potential for even more profound consequences. That's been happening in a city more than 300 miles south of the Scottish capital.

ACTUALITY OF PETERBOROUGH CATHEDRAL BELLS

URRY: The Cathedral in Peterborough is by far the most impressive building in the area. The site dates back to the 7th century and the founding of a monastery. By the 12th century, what we see today was being built - more than 40 metres high, with the sort of craftsmanship and attention to detail rarely seen in the 21st century. As a building project, the only other place in the city which rivals the scale of the Cathedral is just a few miles away and merely six years old. It's Peterborough City Hospital. This is another of those places built under a PFI scheme. It's not been a happy project. Four years ago, the National Audit Office was highly critical of the Hospital Trust Board, describing poor financial management and procurement of an unaffordable scheme that's helped put the Trust in deficit.

RUST: It's a relatively attractive building for a hospital. It's got a nice, light environment in the atrium, it's got shops at the bottom that patients and those visiting patients can stop off at, and it's got lovely landscaping, so those that can get out of their beds can come and sit outside, and actually within the walls of the building itself there are open areas, so staff and patients can at all times access sunlight and the outside world. Perfectly planned, just incredibly badly built.

URRY: Jo Rust is the regional organiser for Unison, the public services union. Although she likes the building, it's now causing the Trust serious problems.

FX – FLAMES, CLOCK TICKING

URRY: Fires don't often happen in hospitals, but if they do it can be really serious. It's the last place you want to have to move people out of, for the obvious reason that patients can be very poorly, bed ridden, or hooked up to life saving machinery. Buying time is the key to coping with a hospital fire. That's done by applying fire resistant construction principles, which contain any smoke or flames, making sure walls and ceilings are solid barriers with no gaps or holes, for example. Special doors need sealing as well. This forms a fire resistant compartment, which typically in hospitals is supposed to hold for 60 minutes, and that means staff should be able to move patients to safety within the hospital, often on the same floor, perhaps just another ward away, without the need to necessarily clear the building.

Jo Rust says these fire-stopping measures have been compromised at Peterborough Hospital.

RUST: It's hard enough if you have to move patient beds one room down the corridor, but if you have to move vulnerable patients and their equipment and the staff two or three compartments down, that has a massive ripple effect - where will two or three patient wards be decanted to?

URRY: And you don't want to be moving patients in hospital, do you?

RUST: No, absolutely not. These are people that are ill, vulnerable, they're already in a state of distress, many of them. We've got elderly patients, we might have young parents there, and moving them is not what you want to do. The same goes for our staff and of course the equipment that is needed to ensure these patients are treated.

URRY: So what's the problem with the compartments? Well, that's not been easy to find out. The Trust wouldn't be interviewed or show us what's wrong, and neither would their private consortium partner, Progress Health, which has the responsibility of sorting it out. In fact, the details have only emerged because they've been flushed out by Freedom of Information requests.

ACTUALITY WITH COMPUTER

RYAN: In late 2014, there were some concerns around repair works to doors and some little issues for the Trust to commission a report, which showed the scale of the problems was far, far larger than they imagined.

URRY: Sid Ryan has spent three years digging around on this as part of his work at the Centre for Investigative Journalism at Goldsmiths, University of London. He showed me photographs taken from one of the internal reports he obtained under FOI, commissioned by the Hospital Trust to look further into the problems.

RYAN: What it showed was that the fire barrier walls that are supposed to be perfectly sealed to prevent fire and smoke getting through were actually filled with hundreds and hundreds of gaps and penetrations. They're not supposed to be there.

URRY: So on your computer screen now, we've got some of the photographs from a report which looked at the fire safety problems.

RYAN: There are 1,200 photos of individual problems with the buildings. So that you can see there, this is, this is inside the ceiling voids of the building, so this is underneath, above the panel ceilings. So none of the staff can see any of this and it's all hidden away normally. But what you can see here is a metal tray where the cables run along and pass through the building and go wherever they need to go. Now above that cable tray, someone is shining a light from the other side of the wall. So you can see a hole about the size of my arm with light shining through.

URRY: And it says here, doesn't it, above a 60 minute fire rated door, that's the amount of time that the door under test conditions, I think, were expected to hold back a blaze?

RYAN: Yeah. The door is rated 60 minutes, because the entire wall is supposed to be rated 60 minutes. So obviously anything with a hole the size of an arm in it is not going to resist fire for an hour.

ACTUALITY IN OFFICE

URRY: This internal report on fire safety dated November 2014 and seen by File on 4 suggests the hospital has been operating with a heightened risk of fire since the building was completed, and concludes, 'The facility... is not fit for purpose.' Another internal report, this time the Trust's own Interim Fire Risk Assessment drawn up a month later, speaks about holes in walls, which are supposed to form fire compartments, even in places like medical and surgical areas. It says fire doors had significant damage, missing seals and excessive gaps, and agrees there is a deficiency in overall fire protection measures, increasing risk. Smoke detectors weren't fitted in ceiling voids either.

Russ Timpson is a former firefighter, who's a Fellow of the Institute of Fire Engineers. He was named International Fire Professional of the Year by the trade at an award ceremony last December. Mr. Timpson now advises industry on fire risk. He reviewed the documents for us.

TIMPSON: Smoke kills people in fire, not the effects of radiant heat. It means that even a relatively small fire will be allowed to get out of the room or box or compartment and spread around very quickly. That would then represent, especially when we're talking about a hospital, where you have people who may not be able to move quickly or may need significant assistance to evacuate, it represents a significant hazard.

URRY: It's also in the detail of some of this paperwork. It shows, doesn't it, that there aren't smoke detectors put in ceiling voids, because of the notion that the cells will be properly compartmentalised to prevent the spread of smoke?

TIMPSON: There are a number of measures that you can put in place to ensure the safety of people inside the building, and early detection is very important so that you allow people adequate amounts of time to get out of the building, but also in a hospital setting, the speed that smoke can travel through these large complicated buildings like hospitals means that it's a real challenge for nurses and porters in order to move people, so they need significant time, so detection in plenty of time when a fire occurs is really important.

ACTUALITY OUTSIDE

URRY: Although the Peterborough and Stamford Hospital NHS Foundation Trust wouldn't be interviewed, they did tell us that they've got a bespoke plan for new evacuation procedures that includes extra vigilance by staff and arrangements for a heightened response from themselves and the fire service should a fire break out. But how come the builders, Brookfield Multiplex, didn't construct fire compartments to the required standard? When we contacted them, they wouldn't comment at all. Progress Health, the PFI consortium, told us that the building was signed off by the council and that their contractors have been on site carrying out remedial works, and also that they are working to help ensure the hospital remains operational with minimal disruption. The law says it's got to be fixed, and Cambridgeshire Fire and Rescue Service has taken the highly unusual step of issuing an enforcement notice on the Trust in March to ensure that happens. It means there could be prosecutions if it's not made good. But putting it right is not going to be easy or cheap, according to fire risk expert Russ Timpson.

TIMPSON: It's extremely expensive. Projects that I've been involved in, where you try to do retrospective works in an existing occupied building, you can multiply it by factors of two and three in terms of cost, simply because of the enabling works you've got to do to get in there to do the work. And then you put it in the context of the clinical environment of a hospital and it becomes an extremely difficult proposition and that means expense.

URRY: Although work is underway, it's scheduled to continue until 2019. The big question, just like in Edinburgh, is how well is the PFI contract operating in these circumstances? Who is going to pay for the repairs, and if the building wasn't constructed to proper specification, how much compensation is the Trust entitled to? These are supposed to be part of the incentives to make sure things don't go wrong in the first place. But in practice, it looks as though the public authority is having to make financial compromises.

ACTUALITY OUTDOORS

URRY: Although this is public money, such is the secrecy surrounding these problems that it's been difficult to get details of exactly what negotiations have been going on behind the scenes. But some information has slipped out, you just have to know where to look. I've got a copy here of announcements made to the London Stock Exchange on behalf of Progress Health, the PFI consortium, and these describe how money has been withheld by the Trust from the monthly service payments. It averages out to around £2 million a month between November 2014 to the end of March the following year. So far, so good then for the taxpayer, because this isn't supposed to be money used to fix the building - this is a form of extra penalty. But then the deductions stopped. It talks about something here called a standstill agreement which was reached, in which the Trust decided not to withhold any money until all the work had been done, but that's not scheduled for completion until February 2019. Why have they passed up the opportunity to claim back all that money at a time when the Trust is already in deficit, partly because of its onerous repayments to Progress Health for an unaffordable scheme?

We asked the Trust to explain the standstill agreement. They told us they're in legal dispute with their private sector partners and have agreed to a standstill to focus on those remedial works until the legal dispute is resolved. So any proposed deductions are on hold. The Trust said they're not paying for any of the actual work. But the question of how much value the Trust is getting from its PFI contract is troubling Peterborough's MP, Stewart Jackson. Mr Jackson also sits on the House of Commons Public Accounts Committee.

JACKSON: It was sold as the best way to build a state of the art 21st century district general hospital. To be quite honest with you, it has been a nightmare. It has made that hospital financially unviable, it has put a huge strain on staff in an already difficult situation with a growing population in the city, and we cannot cope with that problem on our own. I think it's something that the Government has to, as a matter of urgency, take up.

URRY: Do you think the Public Accounts Committee should be taking a look at this?

JACKSON: I think undoubtedly we will look again at PFI in the Health Service, because of the issues raised in the programme, not just about fire safety, but about how public money is being properly used in the Health Service. It certainly isn't being

JACKSON cont: properly used in sweetheart deals with PFI contractors. That's inappropriate, it's wrong, it's poor for the long term viability of the NHS, and on that basis, I think it's absolutely right that the Public Accounts Committee should look again at these deals.

URRY: We've found Peterborough is not alone in having a hospital built under a PFI scheme with fire stopping problems, or in cutting deals with those responsible for putting matters right. We've seen information published at the end of April on the London Stock Exchange about Central Manchester University Hospitals NHS Foundation Trust. It talks about alleged fire stopping defects at the city's hospitals, and this time a settlement has been reached. In return for an undisclosed amount, the Trust passed up £33 million in what's known as unavailability deductions because of these defects. And according to the announcement, it agreed to do the repairs and all remedial work at its own cost and risk - something which could take up to two years to complete. How come? All the Trust in Manchester would tell us was that it took external commercial and legal advice before agreeing to the terms of the settlement, which remain confidential. Dr Mark Hellowell, a special advisor to the Treasury Select Committee, is worried about the lack of transparency.

HELLOWELL: It's not straightforward, how public authorities should behave, but at the moment it's completely behind closed doors, we don't know the nature, we don't know the reasonableness of these settlements that we know are taking place to get things back up and running. I think it's very important that we have as much transparency as we possibly can so that taxpayers can get a true and accurate reflection of what's actually going on with these settlements.

URRY: Taxpayers are entitled to a good deal, aren't they, out of this? If there are penalty payments to be had, if there is money to be reclaimed.

HELLOWELL: It's incumbent on public authorities to make sure they're extracting as much value from these deals as they possibly can. I think it's fairly questionable. I mean, there is a possibility here that the option of actually terminating the contract comes into play, and potentially doing so could save millions of pounds.

URRY: In the case of Manchester though, it looks as though they've taken on the risk that the private sector was supposed to have all the way through this process. Is that a reasonable position to take?

HELLOWELL: I think there's a balance to be struck between, you know, imposing the terms of the contract, making sure that the contract is delivered as was originally intended, and just trying to make sure that you're actually able to supply some services that people need.

URRY: And that's the big dilemma. NHS Trusts are in a difficult position under these circumstances. To justify withholding money under the contract, buildings have to be unavailable. In Edinburgh, that's just what happened - schools were shut for safety reasons, so the council had a good case for withholding substantial amounts of its repayments. But shutting a hospital is a very different proposition, and is highly unlikely in all but the most extreme circumstances. So, according to Dr Mark Hellowell, NHS Trusts are over a barrel.

HELLOWELL: Where you have assets that are absolutely of fundamental importance for the delivery of services, which are absolutely necessary for local populations, you can't simply not use a building, you can't simply not use a hospital. There isn't an alternative in that locality that would allow for the stable and consistent flow of services, so in that context clearly the public authority is not in a flexible situation. It has to make sure it does whatever it can to make sure that these services continue to be delivered.

URRY: So isn't it the case then that the more fundamental the building, the less good the deal the taxpayer is going to get out of it, because they have to make compromises?

HELLOWELL: That's one of the real concerns and this has been understood for some time, that there's a sort of asymmetry of risk between the public and private sectors. The public authority cannot afford to lose access to these buildings. It is clearly not at their discretion to cease providing these services. These assets need to be in use, these assets need to be available and services need to continue to flow.

URRY: How much money has not been claimed under these deals? We don't know, because of the confidentiality terms that apply. The Chief Fire Officers Association told File on 4 it was aware that ten hospitals have been found so far to have fire safety issues, including the ones we've been featuring in this programme. But no-one seems to have wrestled with the full scope, scale and cost of the problem. Peterborough MP, Stewart Jackson, says Government must now intervene.

JACKSON: I do think, as a matter of urgency, the Department of Health needs to begin putting together some form of project team to assist fire and rescue services and Trusts individually to, as expeditiously as possible, make sure that fire safety is not a problem in these hospitals, because at the moment it's a shot in the dark. We don't know if it's ten hospitals or a hundred hospitals that have this problem. Yes, it's not frontline patient care, but I think it's an investment to ensure that the long term safety of hospitals is guaranteed and that we are not spending perhaps hundreds of millions of pounds over the next number of years trying to patch up poor PFI deals; that we actually can have a proper audit of the NHS buildings estate to reassure people that they're going to be safe if they go into their local hospital. The ultimate issue is about PFI in the Health Service and whether it's working for the patients and taxpayers or not.

URRY: What we do know is that there's more on the way. That's because File on 4's found out the issue of poor fire safety in PFI buildings goes beyond hospitals. Our investigation shows it's happening in schools as well.

ACTUALITY OF SIREN

URRY: Who'd have thought leaving cookies to bake for too long in the oven could have led to the discovery of a scandal in schools on a national scale? But that's what happened in the Borough of Knowsley on Merseyside, where a cookery lesson went wrong and the fire service were called to deal with burnt biscuits and a small fire in a school kitchen at the Prescott School. They weren't happy with what they found, according to James Berry of Merseyside Fire and Rescue Service.

BERRY: One of our fire safety inspectors became a little bit concerned around the amount of smoke travel that there'd been into a protected staircase that wasn't expected, particularly as the staircase is classed as a protected exit route. So a fire inspector liaised with the responsible person at the school and as a result of which a forensic building construction survey inspection was carried out and we found that there were some issues around fire separation - and by separation I mean that smoke had been able to travel out of one room into another, where there should have been separation in place to stop that from happening.

URRY: After that, a further seven - including a special school for more vulnerable children - that were built under a PFI scheme for Knowsley Council were checked and found to be what the council describes as defective. By now, you'll be familiar with the sorts of problems - holes in walls around pipes and ducting, walls not built up to the required height, and issues with more than a thousand fire dampers - devices which stop smoke and fire spreading. It's all now been fixed, but you'll not be surprised to hear that no unitary charge payments have been withheld, as the authority concentrated instead on getting its partner to sort the matter out rather than exercise its full contractual rights. We asked the builders, Balfour Beatty, why there were problems with fire separation at the schools. They didn't answer the question, merely stating that a full investigation was carried out and confirming the completion of remedial works. Following the issue in Knowsley, the Chief Fire Officers Association put out a national alert about the problem. According to Jonathan Herrick, who chairs the Association's Committee on Business Safety, it's turning up all over the country.

HERRICK: The answers came back from several fire brigades that yes, we've got exactly those issues.

URRY: From several fire crews?

HERRICK: From several fire brigades, and it wasn't one particular region or one particular part of the country. It was from the very north to the very south.

URRY: In terms of the numbers of schools now then, that have got this problem, do you have a figure for that?

HERRICK: I don't have a figure for it. I have a feel for what is going on nationally from the conversations that I'm privy to. Those conversations suggest that the problem is widespread across the country.

URRY: Given it's widespread, what's the Department for Education doing about it? A spokesman told us they are working with the Government body set up to support better infrastructure management and delivery, and with contractors to raise awareness of the issue and to ensure action is taken to rectify any defects. We asked the Department of Health what they're going to do about the fire safety issues in NHS hospitals. In a statement, all they told us was they're aware of the issue and that hospitals can hold PFI partners to account. Building schools and hospitals with some kind of private finance model is unlikely to go away. In Scotland it's been re-tooled and continues under another name. South of the border, the Westminster Government has introduced something called PF2, which again re-fashions the same principles. If that's the case, then shouldn't those governments ensure that the contracts work better in the public interest if things go wrong? For the special advisor to the Treasury Select Committee, Dr Mark Hellowell, the issues we've investigated in this programme need sorting out, if PFI is to justify its worth.

HELLOWELL: It's a bit of a hammer blow to PFI, that failures of this kind and of this extremity, of this severity have emerged. PFI is supposed to give you good quality assets that are operated and maintained to a very high standard over a generation, over twenty or thirty years. And if that is happening, then it becomes very difficult to construct an economic or financial rationale for this, because clearly with PFI, you pay more. Everybody acknowledges that you pay more. You're supposed to be paying more for better services, better assets. If you're not getting better services, better assets, why are you paying more? That's a question that policymakers are bound to ask.

SIGNATURE TUNE